

December 1, 1999

Public Relations Information

Electronic Fund Transfer Program

The Michigan Liquor Control Commission with assistance of the CIS Office of Technology Resources, and the cooperation of the Department of Treasury, has unveiled a program which allows retail liquor licensees to pay for their liquor orders by Electronic Fund Transfer (EFT). The program is being operated on a pilot basis. Over three hundred retail liquor licensees have been invited to participate in the pilot, and already 265 have committed to using the new payment process. The first live dollar transaction is ready to be processed on December 3, 1999. Preliminary test transactions have been processed successfully.

"The pilot program is being used to make sure everything is running smoothly with the bank before the service is expanded and offered to all the Commission's retail liquor licensees," said Jacquelyn Stewart, Chairwoman of the Liquor Control Commission. The pilot program is expected to run through the holiday season. After that the Commission will invite all licensees to participate.

"We're excited to be able to offer this new service. Our customers have asked us to make this service available, and we've been listening," said Stewart.

The program is simple. Licensees complete an authorization form to allow the Commission to withdraw funds from their account. After processing of the authorization form is complete, a message will appear on the liquor invoice, "Payment by EFT." Licensees will sign their invoice at delivery to indicate approval for an EFT payment for that invoice. The Commission handles the rest. Funds are withdrawn electronically by the State from licensees' accounts on the third day after delivery.

The Commission follows the rules of the Automated Clearing House and The Payments Authority, which are the national regulatory bodies for Electronic Fund Transfers, for processing electronic payments. This protects the licensees, and makes the payments safe and secure.

For the fiscal year ended September 30, 1999, the Michigan Liquor Control Commission collected over \$714 million from its 13,000 licensees who buy their spirits from the Commission. If all licensees sign up for the program, it could save customers from writing up to 2 million checks. With the new system in place and fully operational the Commission now has the capability of collecting over \$700 million without the exchange of any paper.

The Commission will provide more information to all licensees about how to sign up for the program after the pilot program is successfully completed. "We hope that many of our licensees will decide to pay for their liquor by EFT," said Stewart. Participation in the program is voluntary.

January 26, 2000

Public Relations Information

Electronic Fund Transfer Program Update

Liquor Control Commission's Electronic Fund Transfer Program Off to Great Start.

The Liquor Control Commission processed its first Electronic Fund Transfer (EFT) payment on Dec. 3 and the pilot program has been running so smoothly that it is being launched nearly statewide. The EFT payment program is aimed at making liquor orders more efficient for the state's 13,000 retail liquor licensees and eliminating the need to transact almost 2 million checks - if all licensees sign up for the program. The process is simple: licensees complete an authorization form allowing the Commission to withdraw funds from their account; a "Payment by EFT" message will appear on their liquor invoice once the authorization form has been processed; licensees sign their invoice at delivery to indicate approval for an EFT payment; and then funds are withdrawn electronically from licensees' accounts on the third day after delivery. The voluntary program was developed by the LCC in partnership with the CIS Office of Technology Resources, and the cooperation of the Department of Treasury.